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SUBJECT: WHITE HOUSE SCIENCE ADVISOR ADVANCES DIALOGUE ON
BILATERAL S&T COOPERATION; HEARS REQUESTS THAT U.S. SUPPORT
ISRAELI S&T CO-OP WITH ARAB WORLD

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11. (U) Summary: During a three-day visit to Israel, John Marburger, Science Advisor to the President and Director of the White House Office of Science and Technology Policy (OSTP), engaged in a dialogue on strengthening U.S.-Israel cooperation in S&T. He moved his Israeli interlocutors away from requests for more money for binational R&D foundations and towards more comprehensive and feasible approaches to strengthening the "special science relationship." A visit by Ambassador Jones to a local university confirmed there are practical possibilities for strengthening S&T cooperation, with potential benefits for both the U.S. and Israel. Dr. Marburger also heard requests from Israeli academics and a senior Palestinian researcher for the U.S. to strongly support cooperation between Israeli scientists and independent Palestinian researchers and other scientists throughout the Arab World. Israeli academics expressed concern that pending U.S. legislation might restrict funding for Palestinian NGO's. Dr. Marburger visited an R&D center and a technology incubator in Israel's Arab Sector. End summary.

Strengthening S&T Cooperation: Not Just "More Money"

12. (U) OSTP Director Marburger visited Israel April 22-24 to present a keynote address at a symposium on "The State of U.S.-Israel Scientific and Technological Cooperation. The symposium was part of celebrations of 50 years of Fulbright exchanges between the U.S. and Israel. In the run-up to the symposium, Israeli organizers and others focused almost exclusively on the growth of matched government to government funding for EU-Israel research partnerships, while similar U.S.-Israeli funding had remained constant in recent years. (Note: To some extent, this line of argument ignores the dominance of the U.S. in other funding, e.g. NIH grants to Israeli researchers and hi-tech commercial partnerships. End note). Dr. Marburger stated at the Symposium and in discussions with Israeli leaders that he does not see the U.S. and European countries in competition for increased cooperation with Israel and that Israeli-EU or Israeli-German cooperation were both positive steps and that he supported such cooperation. He also noted that he was not a big supporter of endowments, rather than there should be increased communication/cooperation directly between Israeli institutions and USG agencies and pointed to both NIH and NSF as possibilities for enhanced cooperative activities. Dr. Marburger's exchanges with Israeli government, academic and business representatives moved a stale debate about funding towards one focused on approaches that are both more comprehensive and feasible. He stressed to his audiences that the U.S. is making major investments in science and technology at all levels, and Israel should be looking at a range of partnerships, including with key U.S. states, rather than hoping for enhanced endowments for existing binational foundations. As Dr. Marburger noted at the Symposium Gala Dinner, the bilateral S&T relationship is one between "intellectual equals" and deserving of attention to increase benefits for both sides. At the Symposium, the Fulbright Committee Chairman noted new cooperation between the Israeli and U.S. nanotechnology initiatives as a possible model for working together using existing mechanisms and resources, based on mutual interest.

Symposium, Other Key Reports to Show the Way Forward

13. (U) Symposium participants and sponsors will produce a set of findings to guide future discussions on strengthening S&T cooperation. Separately, the Israeli director of the U.S.-Israel Science and Technology Commission told Dr. Marburger that a long-awaited request for proposals to carry out a study of Israel's hi-tech sectors will be issued shortly. At a dinner for Dr. Marburger April 24, a representative of the Ministry of Industry, Trade and Labor suggested that Israeli and American companies might work together under the aegis of the Small Business Innovation Research (SBIR) Program. Dr. Marburger told interlocutors from academia and government during an April 24 dinner discussion that he would explore possibilities for the national academies of both countries to work together on a

comprehensive look at the present status and future possibilities of the bilateral S&T relationship. He took note of the new flexibility displayed by Germany's national science foundation in working with Israeli scientists and stated he would ask the U.S. NSF to look at recent changes in Germany's grants procedures.

Ambassador's Visit to Bar Ilan University

14. (U) An April 24 visit to Bar Ilan University by Ambassador Jones highlighted some practical considerations in the S&T relationship. As the president of the university and the vice president for research administration pointed out, Bar Ilan and other Israeli universities face the challenge of convincing Israelis to return home following study or work in the U.S., and the additional challenge of attracting American post-docs to Israel. In his keynote address to the Symposium, Dr. Marburger stressed the importance of regional and national centers in attracting talent. The reports mentioned above may help Israeli institutions focus their resources to develop centers of excellence in specific areas of S&T, making academic and other institutions even more attractive to American partners. In his discussions at Bar Ilan, the Ambassador mentioned that some Symposium speakers had highlighted the growth in Israeli-European R&D efforts. He and the university leaders discussed practical possibilities for creating stronger partnerships with American academic institutions, such as agreements with U.S. schools to exchange professors for a year at a time, or other efforts universities like Bar Ilan could make to attract American post-docs.

Israeli R&D Co-op with Palestinians and Arab World

15. (SBU) Israeli academic leaders and government officials told Dr. Marburger that Israeli scientists need to engage with their Palestinian counterparts more than ever, following the Hamas electoral victory. They also need to further develop cooperation with researchers in the broader Arab World, and the U.S. can be an important "third party" in both sets of interactions. (Note: Several Israeli senior academics, government officials and an industry representative made the same case to Dr. Marburger during dinner discussions April 24. The theme of regional S&T cooperation was also addressed by a Nobel Prize Winner at the Symposium and a journalist during an April 23 roundtable. End note). The president of Hebrew University briefed Dr. Marburger on his institution's strong cooperation with Al Quds University during an April 23 visit to Hebrew U. A senior researcher from Al Quds also attended that meeting. Both academics praised the Middle East Regional Cooperation (MERC) Program as a vehicle where independent Palestinian researchers can work with Israeli colleagues on regional R&D challenges. They expressed concern about a drop in MERC funding for FY 2006, and asked that the USG continue to fully fund MERC. The president of Hebrew U. expressed concern about reports that the U.S. Agency for International Development was considering eliminating the Cooperative Development Research (CDR) Program, which has long supported joint efforts between Israeli scientists and scientists in the developing world. He also voiced concern that draft U.S. legislation, if enacted, would eliminate funding for Palestinian NGO's and curtail American cooperation with moderates in the Palestinian Authority. Congressional report language had supported funding for health projects between Hebrew U. and Al Quds U. in recent years, but actual funding had not been committed. (Current developments at Al Quds U. reported septel).

Visits to R&D Center and Hi-Tech Incubator

16. (U) Dr. Marburger visited the Israeli Arab Galilee Society R&D Center and the Jewish-Arab New Generation Technologies technology incubator, both near Nazareth, on April 24. The R&D Center receives support from the Ministry of Science and Technology (MOST) and the technology incubator from the Ministry of Industry, Trade and Labor. While the Arab Sector is behind the Jewish majority in advanced education and achievements in science, both institutions were providing platforms for Israeli Arab scientists to carry out innovative research, particularly in biotechnologies. New Generation Technologies has an impressive track record of picking startups and strong ties with the venture capital community in the U.S. During an April 23 visit to MOST, the Ministry's Chief Scientist and acting Director General told Dr. Marburger that her ministry was supporting R&D centers throughout Israel, including two specifically directed at the Arab population and one to support the Bedouin in the Negev.

Comment: Benefits to the U.S. of S&T Cooperation

17. (U) Comment: Dr. Marburger's interlocutors repeatedly stressed Israel's keen interest in strengthened bilateral S&T cooperation, and in U.S. support for Israel's S&T interactions

with the Arab World. Israeli academics and entrepreneurs are very comfortable with the U.S. model for S&T development. At the same time, Israeli researchers are at the cutting edges themselves in key areas. They see the U.S. as the world leader in S&T, are familiar with American institutions, and see the U.S. system as having less bureaucracy than those of other partners. Both countries have interests and capabilities in key sectors, including defense, homeland security, energy, water, nano and biotechnologies. By at least one measure, Israel is number one in the world in "talent density" (based on patents, doctorates, and NASDAQ listings). As Dr. Marburger noted, the S&T relationship with Israel is a key one for the U.S. and deserving of attention by both sides. The Fulbright Symposium and reports sponsored by the U.S.-Israel Science and Technology Commission and others will inventory the state of the S&T relationship and identify future possibilities. As the Ambassador's visit to Bar Ilan highlighted, there are specific possibilities that both sides can begin to explore now. As one Symposium speaker noted, "Reducing barriers doesn't require new funding."

18. (SBU) Beyond bilateral cooperation, Israeli government officials and leaders from academia repeatedly stressed the need for Israeli researchers to maintain and expand cooperation with Palestinian researchers and with counterparts in the broader Arab World as well. They stated that the U.S. has an important "third party" role to play in enhancing such interchange, and that U.S. support for moderates willing to work with Israeli counterparts is more important than ever with a Hamas government in the Palestinian Authority. End comment.

19. (U) Dr. Marburger cleared this message.

JONES